

CLERK: No, sir.

SENATOR DE CAMP: Well, why don't I just read you what it says. It says, "The bill calls for an increase in interest rates on insurance policy loans from 6% to 8%," which I guess kind of makes sense in today's inflationary economy. The proponents of LB 262 contended that the bill would principally aid the small policyholders and permit them to retain an equity interest in their policy. Although there would be a great increase for loans on the policy, the smaller policyholders would, in fact, benefit because the resources of the insurance companies would not be depleted with low interest loans to large policyholders. Those appearing in favor of this legislation were: George Hardy, attorney in the home office of Northwestern Mutual Life, Mr. Robert Crosby, representing Northwestern Mutual Life, Don Littleman, Northwestern..., Jiminy Christmas, Northwestern Mutual Life, Jim Ackerman from the General Council of Bankers Life, Jack Campbell, general agent from Massachusetts General Life. Barry Balka, Director of the Department of Insurance appeared for informational purposes. No one appeared in opposition to this legislation. Committee amendments, none, and I guess you can see yourself, they voted to advance it, and I didn't vote on it. It says. Move the bill be advanced.

PRESIDENT: Senator Keyes.

SENATOR KEYES: Mr. Speaker, I'd like to ask my good friend, Senator De Camp, a question. Senator De Camp, when we raise the interest rates from six to eight percent, are we going to have anything to do with the policies that are written, that are in force today or will this be on policies that are written from this day forward and it will say on your policy that when you borrow against your policy, you can pay up to eight percent?

SENATOR DE CAMP: Okay, my legal counsellor here to my right has advised me that no, that is not a problem. It is grandfathered in it. Is that correct, Senator Luedtke? It's written in there I guess.

SENATOR KEYES: In other words, what you are saying, that the people that have bought an insurance policy and it is written on the face of their policy that they shall not pay above six percent, will not have to pay more than six percent to borrow against their policy, is that right?

SENATOR DE CAMP: Page 6. New language. Provided that nothing in this subdivision shall impair the terms and conditions of any policy of life insurance in force before the effective date of this act.

SENATOR KEYES: Senator De Camp, that would be the only way that I would ever vote to increase the interest rate is that the people will know that when they get a policy written the day after this law becomes effective, that their policy is going to read eight percent. On mine it was written the day before it will say six percent.

SENATOR DE CAMP: Well, Senator Luedtke says that he muttered the same things and I insisted that that